G. R. S. IX-5]

(Preserve)

Previous references.

G 7 51-21-102

1922.

G 7 File No. 6-21

(G-7)

Serial Nos. 304, 321 & 363.

Later references.

G 2 200-29 (1 to 5)

Preserve MW 1.11.43

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 3

P. 54 C

Part B for May 1922

SUBJECT.

Report on the operations connected with the State Loans of 1921

To

The Manager Mysore Bank no. 7 L 5345 G 27-5-22

Forwards copy of G.O. G 18. 2. 22. reviewing the state loan operations of 1921

WD 1888—GPB—16,826—23-7-21

2022/6.6.22.

GENERAL AND REVENUE SECRETARIAT.

(G.A.)

NOTES.

File No. 6-21

FILE HEADING.

Report on the operations connected with the State Loans of 1921.

From

The Comptroller

No. 616-S.L Dated ~~2nd~~ 21.12.21 Received 22.12.21

Diary No. 2785	Enclos.	Spare Copies.	Serial No. 304.

BRIEF ABSTRACT OF LETTER.

Forwards report on the operations relating to the State Loans of 1921.

NOTES AND ORDERS.

Submit with a draft Review on the lines of the last year's review. The last year's report & the review are also put up. The Comptroller has sought for sanction to the Remuneration to the Loans Section in this

1985

G. R. S. III-2.

General and Revenue Secretariat. | G.A. File No. 6 of 1921.

Serial No.

report alone (Page 14 of Report flagged Z). This proposal is for orders. He has stated that Rs 1150, the expenditure to be met, is less than 20 per cent of the Commission raised to fund, which would otherwise have become payable to Banks. It is also stated that out of the additional grant of Rs 5000 + 1500, only 750 + 1175 has been spent. A para sanctioning the proposal is also tentatively included in the review, subject to sanction & approval.

(H Grey)
Dewan

1725/61

DEWAN'S OFFICE.
Recd. on JAN 31 1922
Reg. No. 4010

30.1.22

I would like to submit this P.O. to H.E. before issue. I have put proposal to pass Govt & the Finance Committee

3.2.22

Please put up DSW

DEWAN'S OFFICE.
Recd. on FEB 10 1922
Reg. No. 4227

NOTE—Contn. sheet.

D.S.W submits for approval

1985/61

(H Grey) Dewan

10.2.22

Submitted to His Highness.

***

C

Draft for approval

I submit herewith the Comptroller's report on the State Loan Operations of 1921 together with the Draft Government Order reviewing the same.

On account of the good work done by his office in connection with the loan the Comptroller recommends the grant of a remuneration of Rs.1150-0-0 to be distributed among the staff of the Loan Section of his Office.

I agree to the Comptroller's proposal and solicit that the Draft Government Order may be graciously approved.

[illegible]

11th Feb, 1922

2785

4

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Report from the Comptroller on the State Loan operations of 1921 and draft Government Order reviewing it.

591

Order.

~~KRM~~

13/2/22

M. Ly

Secy

14/2/22

Done

Mrs

15/4/22

2288.

G. R. S. III-2]

General and Revenue Secretariat. | Gy. F File No. 6 of 1924-22

Serial No.	
	To the Collector Rev. Comr. D.e. of Distt
328	No H 4106-15/G.F 6-21.328
	D. 18.2.22
	Revises rle. Loan operation
	of 1921
	Printed copies of the order are received
	accept & prompt sending 6 copies also
	manager Mys Bank for approval
	Done
363	To the Manager Bank of Mysore
	No H 5345 of 27.5.22
	Forwards copies G.O of 18.2.22
	reviewing the State Loan operation of 1924

Give full
B after receipt
20 R 22 opinion copies
16 copies to be
sent to Mys
Bank.

Shown
27/5/22

B
27/5/22

Note—Contn. sheet.

Please address all future communications to the Comptroller to the Govt. of H. H. the Maharaja of Mysore.
In reply to this Comm. please refer to
No. 616 SL

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Dated, Bangalore, the 21 December 1921.

DIARY No. 2785

FROM

T. Satyaraj Chetty Esq., B.A.,

Offg. Comptroller to the Government of His Highness the Maharaja of Mysore.

File No. 921 – 922 G.7. 6-21 304.

To

M. N. Krishna Rao, Esq., B.A.,

Secretary to the Government of Mysore,

Financial *Department.*

SIR,

I have the honour to submit the following report, being the second of its kind, on the operations connected with the State Loans of 1921:-

2. In the Dewan's address to the Representative Assembly at the last Birthday Session, the decision of Government to float a New Loan during the year to meet the expenditure provided in the Budget for the execution of capital works was announced, and the issue of the loan itself was notified in Notification No.Fl.98/G.F. 6-21-4 dated 9th July 1921 in which it was at first restricted to the people of Mysore. The Notification was subsequently revised in No.585 dated 1st August 1921 extending the loan throughout India with the kind permission of the Government of India. Two issues of the loan were offered with a view to meet the varying requirements of the investors, one of which was a ten-year loan carrying interest at 7 per cent and issued at par and the other a 6½ per cent long term loan repayable in 20 to 30 years at par but issued at 97½.

WD.0322—GPB—3,000—14-12-16

C. O. 42–Rec.—17]

....Department

191 .

FROM

M. N. KRISHNA RAO, ESQ., B.A.,
Offg. Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

.....Esq.,
Secretary to the Govt. of Mysore,
Dept.

Dated

Despatched

Received

No..... ....

Subject matter.

The loans were thrown open for subscription to all throughout India from the beginning of August and the response to the call as will be seen from what is stated below, has been very gratifying, and the limit of one crore originally fixed was over-subscribed even before the completion of the period for which the loans were kept open. The loans were on offer from 1st August 1921 ~~and were on offer from 1st August 1921~~ and were closed on the 12th October following, i.e., 18 days earlier than the period for which they were notified to be kept open in the original Notification. The total amount subscribed from all sources amounted to Rs. 2,25,85,250 which was largely in excess of our expectations and which Government have resolved to utilise for capital expenditure during the next two years. A large amount of the subscriptions was received from outside the State which is indicative of an expanding market for our securities.

Terms of the Loan -

3. The terms of the two issues of the loan floated during the year, were similar to those which were applicable to the loan raised in 1920 except that there was a variance in the period for which each of the loans was to run and their respective issue prices. The rate of interest allowed was 7% for a short term loan of 10 years duration repayable on 1st November 1931, and 6½% for the long term loan repayable at par on the 1st November 1951 or at the option of Government on any earlier date giving six months' notice after 1st November 1941. These rates were respectively higher by 1 and ½ per cent than the rate at which the Government of India raised their latest loan which was at 6%, but were on a par with those paid by the Calcutta Corporation and the Government of the United Provinces.

The denominations in which the bonds were issued were the same as those for the loan of 1920, but owing to the rapid sale of bonds in the higher denominations outside the State and

consequent oversubscription to the loan and the cessation of its operations earlier than expected, the issue of bonds in the lowest denomination was markedly less as compared with the purchase of such bonds by the public in the previous loan.

Concessions to the Public -

4. As in the previous year the conversion of Government Bonds of the previous issues into the New Loan was permitted by Government. The 4% State Loan, which was due to mature on the 1st October 1921, was accepted at par for either of the loans. But the bonds of the 5½% and 6¼% loans were allowed to be converted only into 6½% New Loan and not to the 7 percent loan. The 5½% loan holders had to pay an amount equal to 97½ per cent of the face value of the bonds tendered for conversion, in cash as an additional subscription to the loan, while 6¼% holders were on paying an additional cash subscription of 37½% of the face value of the bonds tendered entitled to get 140% of the face value of the bonds surrendered. In addition to these the Government of India 5½% War Bonds were accepted at par for investment in 6½% and 7% New Loans, the difference between the par value of the -- surrendered bonds and the issue price of the 6½% New Loan viz., Rs. 2½% being refunded in cash. The proceeds of the loan under the above conversions amounted to Rs. 71,46,612½ out of which --- Rs. 51,32,150 which is about 25% of the total receipts of the loan, were in Government of India War Bonds which will remain with us as liquid securities. Government of India War Bonds of 1929-47 were not however accepted at their face value as subscription to the New Loan. The extension of the policy of inviting Government of India bonds for conversion into State Loan together with the facilities afforded for avoiding litigious troubles in the settlement of succession rights, has borne larger fruit this year, the bonds returned being of the value of Rs. 51,32,150 as against

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Rs 13,17,125 exchanged for last year.

5. The face value of the bonds of the previous issues of the State Loan converted to the New Loan is Rs 20,14,462½ in the -- aggregate as per particulars given below -

4% Bonds 1921	...	15,300
5½% Conversion Loan notes	...	50,000
6¼% State Loan	...	19,49,162½

The amount of the 4% State Loan Notes offered for purchase of the new 7% bonds is Rs 15,300, the rest of which due for discharge by payment in cash amounted to Rs 1,72,100. The extent to which the conversion policy served as a means of discharging the old loans and at the same time augmenting the proceeds of the new loan was far below anticipations, owing to the public not having availed themselves of the concession granted by Government to the desired extent.

Concession to Government Officers.

6. As in the case of the previous loan, concessions were granted to the officers of the State for investing in the loan under the scheme sanctioned in G.O. No.Fl.285-G.F./6-21-32 dated 20th July 1921 whereby the issue price was given in advance on their tendering 4% and 1½% of the face value of the 7% and 6½% bonds respectively. The advance was to be repaid in 24 instalments by deduction from pay. The minimum amount to be subscribed was fixed at Rs 100/- and the maximum at six months pay of the officer. The total number of applications received according to this scheme for both the issues of the loan was 167, the ~~face~~ amount ~~value of the notes issued~~ subscribed under this arrangement being Rs 1,27,067¾ distributed as under -

Face value of Notes applied for		Number of applications	
Rs 100 to Rs 500 -	...	117 for Rs	25,695
512½ to Rs 1000	...	24	18,995
1012½ to Rs 5000	...	23	59,560
Above 5000	...	3	22,817¾
		167	1,27,067¾

The largest number of applications was for amounts ranging from 100 to 500 Rs and aggregating Rs 25,695 under this scheme, which were received mostly from Hassan, Bangalore and Mysore Districts. The meagre response is due to a larger number not availing themselves of the concessions granted owing to their indebtedness to Government in respect of the advances granted under similar conditions in the previous year when the 6¼ Loan was floated, a portion of which remained unrepaid.

7. Government were also pleased to extend the benefit of utilising the balances at credit of the subscribers to the State Provident Fund either for the purchase of 7% bonds or for paying additional subscription due for converting 6¼% loan bonds. There were 50 applications from officers availing themselves of this concession for issue of bonds of the face value of Rs 43,850. Similar concession was granted to the subscribers to the State Railway Provident Fund but there was only one applicant who offered Rs 425/- for investment in the loan.

8. Again in the case of officers who have insured their lives in the State Life Insurance Scheme and whose policies mature before 1st January 1925, they were allowed to elect to receive 6½% or 7% bonds in lieu of cash before the 31st December 1921, the Insurance Office investing in the loan the amounts that would accrue to them on maturity of their policies. There were accordingly three applications received so far in the Insurance Office with a subscription of Rs 10,187½.

Printing of the Bonds etc.

9. The paper obtained for the manufacture of court fee and other stamp papers was used for printing the bond forms even this year, the short time at disposal for the preparation and completion of the preliminaries before the loan was to be floated not permitting us to obtain from abroad special water-lined and hand made paper. The design and printing of the bonds were executed

necessitating some loss in the value of paper used and cost of printing. The number of bondx forms as printed was in compliance with the indents of Deputy Commissioners who apparently could not gauge requirements and make a forecast approaching to any degree of accuracy. The subscriptions realised within the State having fallen far below our expectations for the reasons stated above, the above contingency became inevitable.

It is however none the less gratifying that we have emerged from the Loan operations with highly successful results which casts into shade the small loss, sustained in printing the bond forms.

Number of applications received and the localities to which the applicants belong -

10. The total number of applications received for both the loans were 6,918 of which 706 were for conversion. The applications received for the two issues of the loan were as under -

	Cash	Conversion
7 per cent	6,195	523
6½ do	17	183

Of these 957 were dealt with by this office, 1544 by the banks and the remaining 4417 by the local treasuries. The loan operations outside the State were conducted through recognised Banks which were authorised to receive subscriptions on behalf of the Durbar. The Imperial Bank of India acted as our Agent throughout India and there were subscribers in most of the outlying districts in the Madras Presidency and in the Native States of Travancore and Cochin. In the case of Bombay subscriptions were received through the following banks:-

Imperial Bank of India, Bombay
National Bank, Bombay
Tata Industrial Bank, Bombay
Central Bank of India, Bombay.

Our securities were purchased also at Jubbalpore, Sitapur and Bareilly in Northern India through the Imperial and Allahabad Banks.

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The Durbar of Bhavanagar also contributed substantially to our loan receipts.

Total amount of Loan subscriptions -

11. The total amount of laan subscribed for was Rs. 2,25,85,250 which, as already stated, was largely in excess of our expectations. The forms in which the subscriptions were received are given below -

	7 per cent	6½ per cent
(1) Cash received	Rs. 1,42,41,025- 2- 7	Rs. 9,04,987- 10- 0
(2) Govt.of India War Bonds	50,36,950- 0- 0	95,200- 0- 0
(3) Savings Bank & Transfers	1,00,307-13- 5	15,722- 4- 0
(4) 4% State Loan Notes wiped out	15,300- 0- 0	-
(5) 5½% Conversion Loan notes do	-	50,000- 0- 0
(6) 6¼% State Loan do	-	19,49,162- 8- 0
(7) Provident Funds		
(a) State	33,524- 8- 0	10,325-10- 0
(b) State Railway	425- 0- 0	-
(8) State Life Insurance Fund ...	10,187- 8- 0	-
(9) Advance Scheme	1,05,780- 0- 0	16,352- 0- 0
	1,95,43,500- 0- 0	30,41,750- 0- 0
	2,25,85,250	

The amounts subscribed for the loan at the several agencies employed for collecting subscriptions are shown in the subjoined statement:-

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mention, the total amount of subscriptions realised through this Bank alone being Rs. 66,62,025, which is over one-fourth of the total amount of subscriptions to both the issues of the loan. The flow of subscriptions through the Bank was again this year facilitated by the Bank's Advance Scheme thrown open to the public, as well as to Government servants holding 6¼% bonds with a view to ~~ex~~ enable them to invest in the New Loan under the Conversion Scheme. The aggregate amount so invested is Rs. 11,98,000 distributed as under:-

7 percent	...	Rs. 10,32,100
6½ percent	...	1,65,900

We received equal support from the Imperial Bank of India which arranged for subscriptions being received at its various branches situated far and wide throughout India.

The Imperial Bank of India, Bangalore, Madras and Bombay (Head Offices only) kindly undertook to receive subscriptions in cash and Securities, the latter being sent to this office for examination and acceptance. The issue of scrips in such cases had to be arranged for by this office. Some time later, the Imperial Bank of India at Calcutta agreed to issue paper in lieu of both cash and securities. Apart from subscriptions received through other banks, we had the advantage of individual subscribers patronising our loan and cases in which we had received subscriptions in lots are noted below -

Bhavanagar	6 lakhs
Hyderabad	26 lakhs
Cochin ...	14.67 lakhs
Central Bank of India	20 lakhs

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The advantage to these single investors is that they are saved the payment of income tax year after year, while at the same time, they secure, for themselves a decent rate of interest on their investment which besides being as good and sound as the securities of any civilised Government, entails no risk which an

investor incurs by depositing his moneys with banks or other debtors. The principal and interest on the State Loans having been secured on the Revenues and Assets of Government our --- Securities are bound to become popular.

Work done by Treasuries -

Due care was taken this year to supply the treasuries with requisite forms and registers and necessary instructions for posting the registers etc were issued to them in time. In the matter of effecting sales, their work was rendered more easy this time by their having been authorised to sell bonds over the counter on receipt of cash subscription. With the experience gained by the Treasury staff during the previous loan operations, with the additional establishment of one clerk for each treasury kindly sanctioned by Government for loan work and with the relief afforded to such of the Treasury officers as were over worked by detaching Probationery Assistant Commissioners and placing them on special duty to help the former, the work in the treasuries was done with greater facility and more satisfactorily than on the previous occasion and the number of mistakes and omissions which were noticed were very few. It must however be stated that the share of subscriptions to the loan contributed by the treasuries was very small, for the reasons already explained, it having amounted only to 13.60 lakhs out of the total sum of Rs 2,25,83 lakhs realised.

13

Work in the Accounts Office.

15. The difficultmes which were experienced last year were greatly minimised by a well thought out programme prepared in advance and much of the work, which if left to the Treasuries would have resulted in an unsatisfactory state of things, was undertaken by my office in spite of its having been heavy. With a view to save commission and brokerage charges, otherwise

payable

17

payable to the Banks, as many applications as possible were received and directly dealt with by my office. There were also 234 applications with cash subscription that were received and dealt with by this office. The total face value of the bonds for cash and conversion applications so issued amounts to -- Rs 27,30,000 and commission and discount saved is Rs 6,825. Under the system promulgamated for issue of bonds over the counter, every bond had to be carefully examined by my office before it was sent out for issue by the Treasury or the Banks and this entailed much labour. The number of bonds examined and issued by my office is 49,955 of which 34,212 were returned. In all cases in which securities were endorsed and presented at the treasuries they had to be examined by this office and cheques for anticipatory interest issued. Arrangements were also made to audit and compile the loan accounts from day to day, as the subscriptions were being received. The figures obtained daily from the Treasuries and furnished to Government were actually verified with reference to the applications received, bonds issued and the corresponding credits afforded in Treasury vouchers and Bank accounts. Such a timely and systematic reconciliation of figures has enabled my office to close the loan accounts almost simultaneously with the closing of the loan. The verification of figures with those in the finally compiled accounts is nearing completion. It was possible to secure this promptness and despatch of work in the present loan operations as Government were pleased to sanction a staff of 8 hands for the loan section together with an additional grant of ---- Rs (5000/- plus 1500) to augment the staff and for contingencies when needed. By economical distribution of work, this additional grant was not allowed to be spent fully, the amounts spent being only (750 plus 1175) respectively. Though Government sanctioned the continuance of the Establishment till 31st

14

ecember

Mr. Raghavendra Rao has more than fulfilled my anticipations and, in consideration of the excellent work he has done, as a recompense for his labours and as an incentive to his brother officers, I beg to recommend that he may be granted a special allowance of Rs. 100/- per mensem for four months during which the loan work was most taxing and when the Loan Section of my office had to work under high pressure. The Loan Section had to work over time during the above period and I request Government may be pleased to sanction a month's pay to the following -- officials who worked willingly and performed the duties assigned to them satisfactorily:-

Staff

1.	S. Raghavachar ...	Rs. 150/-
2.	T. Sitaramiah ...	100/-
3.	V. Sripathi Rao ...	87/-
4.	K. Tirumalachar ...	67/-
5.	T.C. Srikantiah ...	55/-
6.	T.S. Ramaswamiah ...	50/-
7.	P. Ramachandra Rao	45/-
8.	A. Sundara Mudaliar	45/-
9.	H.S. Narayana Rao	35/-
10.	K.S. Rangaswami Iyengar	35/-
11.	K. Ramaswami Iyengar	30/-
12.	Chidambara Iyer ...	15/-
		714
	Lumpsum for distribution among peons who worked under pressure ...	~~100~~ 36
	Total Rs.	~~850~~ 750

The total amount of remuneration payable to Mr. Raghavendra Rao and the officials of the Loan Section according to my recommendations is Rs. ~~1250~~ 1150/- which is less than 20 per cent of the commission saved to Government by this office having dealt with the applications received directly which would otherwise have become payable to Banks and other agencies and I trust Government will very kindly sanction it.

The following statements are appended to this report, which furnish details in respect of the salient points dealt with in this

report, and other particulars which I have not considered necessary to deal with separately herein.

(1) Statement A showing details of receipts and expenditure under the two Loans.
(2) Statement B showing details of receipts through Banks
(3) Statement C do Treasuries & adjustments
(4) Statement D statement of details showing Securities received.
(5) Statement E of applications received through Banks and Treasuries
(6) Statement F statement of subscription under Advance Scheme

do do by Transfer from Provident Fund.

I have the honour to be,

Sir,

Your most obedient servant,

T. Satyanarayanan

Comptroller.

CV/21-12

Statement A Sh

Receipts under several heads for

	Receipts	7%			6½ %			Total		
1	Cash received	1,42,41,025	2	7	90,4,987	10	-	1,51,46,012	12	7
2	Securities	50,36,950	-	-	95,200	-	-	51,32,150	-	-
3	Savings Bank & Transfer	1,00,307	13	5	15,722	4	-	1,16,030	1	5
4	Old Loans Wiped Off									
	(a) 4% Loan	15,300	-	-				15,300	-	-
	(b) 5½% Conversion Loan				50,000	-	-	50,000	-	-
	(c) 6¼% Loan	-			19,49,162	8	-	19,49,162	8	-
5	Railway Provident Fund	425	-	-				425	-	-
6	State Provident Fund	33,524	8	-	10,325	10	-	43,850	2	-
7	Insurance	10,187	8	-				10,187	8	-
9	Advance Scheme	1,05,780	-	-	16,352	-	-	1,22,132	-	-
		1,95,43,500	-	-	30,41,750	-	-	2,25,85,250	-	-

owing details of
ie Loan and Expenditure thereon.

	7%	6½%	Total.
Expenses			
(1) Brokerage & Commission	88144 4 .	6258 15 6	94403 3 6
(2) Discount.		52712 12 .	52712 12 .
(3) Anticipatory Interest.	162100 8 11	16174 8 3	178275 1 2
(4) Expenditure incurred in the Financial Secretariat on account of Advertisement &c.	28858 . 7		28858 . 7
(5) Printing & Paper.	3109 . .		3109 . .
(6) Other Bank Charges	1494 5 3		1494 5 3
(7) Establishment and Contingent Charges	1925 . .		1925 . .
Adjustments			
(1) Savings Bank	100307 13 5	15722 4 .	116030 1 5
(2) Insurance Bonus paid.	10187 8 .		10187 8 .
(3) State Provident Fund	33524 8 .	10325 10 .	43850 2 .
(4) Railway — to —.	425 .		425 . .
Loans on which Interest is charged			
(1) 4% Loans	15300 . .		15300 . .
(2) 5½% Loans		50000 . .	50000 . .
(3) 6¼% Loan		1949162 8 .	1949162 8 .
Assets			
(1) Govt of India Securities	5036950 . .	95200 . .	5132150 . .
(1) Balance due from Provinces under Advance Scheme	105780 . .	16352 . .	122132 . .
Total	13965393 15 10	829841 6 3	14795235 6 1
	1954350 0 .	304175 0 .	2258525 0 .

Statement B showing details of receipts to the Loan through the several Banks.

		7%			Total 7%	6½%			Total 6½%	Total for the 2 Loans
		Cash		Conversion		Cash		Conversion		
		Rs.		Rs.		Rs.		Rs.		
1.	Mysore Bank	4,21,150	-	2,18,200	- 4,42,8350			2233675	- 2233675	6662025
2.	Imp. Bank. Bangalore	8,07025	-	633800	- 1440825			149800	- 149800	1590625
3.	" Madras	357900		306700	664600	20800			20800	685400
4	" Bombay	1730337	8	1469675	32.00.012 8	14,562	8	18650	33212 8	3233225
5	National Bank Bombay	308050		38000	346050					346050
6.	Tata Indl. Bank Bombay	69300			69300					69300
7.	I.B. Calcutta	278575		235425	514000	2000			2000	516000
8	" Mount Road Br. Madras.	6800		6000	12800					12800
9.	" Bellary	123125		31500	154625					154625
10	" Trivandrum	31700		27000	58700			14000	14000	72700
11	" Cochin	511975		948850	1460825	7600			7600	1468425
12	" Coimbatore	21225		22000	43225			4000	4000	47225
13	" Guntur	6900		6700	13600					13600
14	" Calicut	44762	8	8000	52762 8			14000	14000	66762 8
15	" Cotacamund	115200		53250	168450					168450
16	" Mangalore	18850		2500	21350					21350
17	" Madura	52750		21500	74250	11600			11600	85850
18	" Cocanada	35600			35600					35600
19	" Masulipatam	12112	8	15200	27312 8					27312 8
20	" Berhampore	45000			45000					45000
21	" Narsapur	1200			1200					1200
22	" Trichinopoly	19600		650	20250					20250
		8808137	8	4044950	12853087 8	56562	8	2434125	2490687 8	15343775

P. T. O

Statement C. showing details of receipts to the Loans through the several Treasuries and the Comptroller's Office — 24

	7% Cash		7% Conversion		Total 7%		6½% Cash		6½% Conversion		Total 6½%		Total for 2 Loans	
10	q		q		q		q		q		q			
Bangalore	175362	8	8800		184162	8	23000		253950		276950		461112	8
Chitaldrug	120537	8	4500		125037	8			150		150		125187	8
Kadur	24212	8	1800		26012	8			3825		3825		29837	8
Kolar	65187	8	6100		71287	8			22400		22400		93687	8
Hassan	177200		11500		188700				48200		48200		236900	
Mysore	88787	8	13200		101987	8	23400		75825		99225		201212	8
Shimoga	116150		1400		117550		~~10150~~		10150		10150		127700	
Tumkur	80825		1350		82175				2225		2225		84400	
Total	848262	8	48650		896912	8	46400		416725		463125		1360037	8
Comptroller	2061312	8	929650		2990962	8			24000		24000		3014962	8
Adjustments					150037	8					63237	8	213275	

abstract.

Banks	11431637	8	4073950		15505587	8	57262	8	2434125		2491387	8	17996975	
Treasuries	848262	8	48650		896912	8	46400		416725		463125		1360037	8
Comptroller	2061312	8	929650		2990962	8			24000		24000		3014962	8
Adjustments					150037	8					63237	8	213275	
Total	14341212	8	5052250		19543500		103662	8	2874850		3041750		22585250	

Statement E Showing the No. of applications received

Serial No.	Name of District	Cash		Conversion		
		7%	6½%	7%	6½%	
1	Bangalore	538	3	10	32	
2	Kolar	340	-	4	1	
3	Tumkur	1597	-	6	8	
4	Mysore	213	4	17	3	
5	Hassan	505	-	13	9	
6	Shimoga	155	-	3	6	
7	Kadur	132	-	4	3	
8	Chitaldrug	937	-	8	1	
9	Imperial Bank, Bombay	497	8	176	4	
10	" Bangalore	113	-	164	15	
11	" Calcutta	79	2	29	-	
12	" Madras	53	-	-	-	
13	National Bank, Bombay	42	-	1	-	
14	Tata Industrial Bank-Do	17	-	-	-	
15	Other banks	-	-	35	-	
16	Comptroller	~~235~~ 234	-	16	1	
17	Mysore Bank	743	-	37	100	
		6195	17	523	183	⊗ 6918

⊗ Of these 957 applications were dealt with by the Comptroller
1544 " " Banks
4417 " " Treasuries
Total 6918

Statement (7) showing details of Subscriptions received under the Advance Scheme. 27

Serial No	District	No of applications	Amount	Remarks	Serial No	District	No of applications	Amount	Remarks
2.	8	3	18		2.	8	3	8	
1	Bangalore	63	61,450 -		1	Bangalore	6	8208 6 -	
2	Hassan	38	12,700 -		2	Hassan	-	- - -	
3	Mysore	16	20,550 -		3	Mysore	2	4364 4 -	
4	Chitaldrug	12	5,000 -		4	Chitaldrug	-	- - -	
5	Kolar	8	3,600 -		5	Kolar	-	- - -	
6	Kadur	8	1,800 -		6	Kadur	1	2440 2 -	
7	Shimoga	6	1,400 -		7	Shimoga	1	1755 -	
8	Tumkur	6	3,800 -		8	Tumkur	-	- - -	
	Total	157	1,10,300 -				10	16,767 12 -	
	under the	State	Provident	Fund					
1	Bangalore	21	17187 -		1	Bangalore	2	8550 -	
2	Hassan	2	1550 -		2	Hassan	-	- - -	
3	Mysore	9	7562 8		3	Mysore	2	1007 13 -	
4	Chitaldrug	3	2462 8		4	Chitaldrug	-	- - -	
5	Kolar	4	3762 8		5	Kolar	-	- - -	
6	Shimoga	2	225 -		6	Shimoga	1	767 13 -	
7	Kadur	3	600 -		7	Kadur	-	- - -	
8	Tumkur	1	175 -		8	Tumkur	-	- - -	
	Total	45	33,524 8	✓			5	10,325 10	✓
				Insurance Scheme					
1	—	3	10187 8 ~~5287 8~~						
				Railway Provident Fund					
1	—	1	425 -	✓					

4/

recommendation to the grant of a remuneration of Rs.1,150-0-0 to be distributed -- among the staff of the Loan Section of his office in the manner proposed by him.

30-1-22

Financial Secretary to Govt.

3/2/22

To

The Comptroller to Govt.
" The Deputy Commissioners of Dists.
" Revenue Commissioner in Mysore.

PRESS TABLE.

No. 6993
21-2-22
BANGALORE
GOVERNMENT PRESS

31

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS

THE MAHARAJA OF MYSORE.

R 4606-15 dt 18 Feb 1922

F-6-21-328

State Loan operations of 1921.

Read:-

Letter No.616-S.L. dated 21st December 1921 from the Comptroller submitting his report on the Loan Operations of 1921.

(Report to be printed in extenso)

Order No. R 4606-15 F-6-21-328

Dated Bangalore the 18 February 1922.

Government have read with interest the Comptroller's report on the operations connected with the State Loan raised during the current financial year 1921-22.

2. The issue of 1921 was the second large loan floated by the State. Two issues of the loan were offered during this year with a view to meet the varying requirements of the investors, one of which was a short term ten-year loan carrying interest at 7 per cent and issued at par, and the other a long term 6½ per cent loan repayable in 20 to 30 years at par but issued at 97½ per cent. The loan met with the same unqualified success as that of 1920 and was largely oversubscribed even before the expiry of the period during which it was at first, proposed to keep it on offer; it was therefore found necessary to close the loan list from 12th October 1921, i.e., 18 days earlier than it was originally notified to be kept open.

3. As in the previous year the current year's loan was in the first instance offered to subscribers within the State and with the permission of the Government of India it was subsequently thrown open to investors outside the State by Notification No.Fl.585 dated 1st August 1921.

4. The total subscriptions for the two loans exceeded 2¼ crores and a large portion of the amount was received from outside the State.

5. The Bank of Mysore, Ltd., offered accommodation on favourable terms to intending investors in the loan and at the request of Government made special arrangements for securing a satisfactory response to the loan outside the State, particularly in commercial centres like Bombay and Calcutta. The total amount of subscriptions secured through the Bank was 66 lakhs, that is about one-fourth of the total subscriptions. Government desire to take this opportunity to express their appreciation of the help and co-operation of the Bank in the floatation of the loan.

6. The work done by the Comptroller's Office in receiving applications, examining them and issuing bonds has been very satisfactory. It is gratifying to note that within less than 3 months after the close of the Loan list, the entire work relating to the loan operations of the year has been completed and the loan accounts fully closed. Government note with pleasure the good work done in connection with the loan by the officers mentioned by the Comptroller and are pleased to sanction the Comptroller's recommendation to the grant of a remuneration of Rs. 1,150-0-0 to be distributed among the staff of the Loan Section of his office in the manner proposed by him.

Sd/ m.n. Krishnarao

Financial Secretary to Government.

172/22

To

The Comptroller, Mysore Government.
The Deputy Commissioners of Districts.
The Revenue Commissioner in Mysore.

Press Copy 100 copies may be sent early

Mad Rao Gallery

for Fin Secy.

172/22

MK. 6. 17-2-1922.

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat.

( )

, the *191* .

Date of issue 27/5/22

Signed by [illegible]

Section G 7
File No. 6-21
Serial No 363

No. Fl 5345
& 27 May/22

To

The manager Bank of Mysore

Sir,

I am directed to forward ~~for information~~ ~~herewith~~ 6 printed copies of G.O. No. Fl 4606-15 G 7 6-21-328 D. 18 2/22 Reviewing the State Loan operations of 1921.

I have the honour to be,
Sir,
Your most obedient servant,
[illegible]

over.

[illegible]

[illegible]

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

THE BANGALORE PRESS—20,000. 4-22.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE MANAGER

The Bank of Mysore, Ltd.

Bangalore, 29th May 1922.

No. 64367 G 18 730

No. 42645

The Financial Secretary to
the Government of Mysore,
Bangalore.

31 MAY 1922

Dear Sir,

We beg to acknowledge, with thanks, receipt of 6 printed copies of Government Order No.Fl.4606-15 G.F.6-21-328 dated 18th February 1922 reviewing the State Loan operations of 1921, sent with your letter No.5345/G.F.6-21-363 of the 17th instant.

Yours faithfully,

Manager.

MSR The connected file has been ordered to be recorded - this will be filed alongwith ... yrs. please

Asstt Secy

N.B —Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

L07&b 35

G. R. S. III-2]

General and Revenue Secretariat. | File No. 6 of 1921.

Serial No.	
	The loan period is now over and the file is re-submitted for the consideration of the question of giving allowances to the officer who was in charge of the loan work.
	~~Orders may be taken~~ ~~We can the Comptroller make~~ We may await the recommendation of the Comptroller in the matter.
	H Bee 5/12/21
	Mull 10.12.21
1406 6/12	

Comptroller's report since received + it is separately entered

10/12/21

NOTE—Contn. sheet.

~~Draft~~ Immediate.

D.O. No. 4786

One of the points considered at the meeting of Deputy Commissioners held at Mysore on the 21st instant was the desirability of entrusting the Loan work to be done in the Comptroller's Office to a senior officer of the Department with a view to relieve the Comptroller of this work and also to expredite its disposal. On this occasion we propose to sell bonds and we have to make them ready with the least possible delay. Tens of thousands of bonds will have to be got printed, accounted fpr and issued to the selling Treasuries and Banks -- all within a short period of about a month. The work will have to be done under very high pressure and the undivided attention of a senior officer is necessary to ensure promptitude and accuracy. To expect the Comptroller to attend to this work which is both urgent and heavy in addition to his usual work is not a desirable arrangement. There will be considerable correspondence of an urgent character with the Treasuries, Banks, Subscribers and the Government to be conducted by the Comptroller's Office and it will go far to expedite work if there is a senior officer authorised to correspond with these direct. If it is possible to associate a junior officer with him, it will be all the better. Considering the nature and importance of work, I am agreeable to spare Mr. B. Sreenivasa Iyengar, Under Secretary, Finance. (Mr. Rangachar can take his place in the Secty.) He may be appointed Deputy Comptroller on special Loan Duty. The work to be entrusted to him will be heavy, important and emergent and it is fair to give him for ~~this~~

In performance
~~purpose~~ some addition to his present emoluments. The work relates to the Comptroller's Office and I accordingly request the Comptroller to be so good as to suggest definite proposals for expeditious disposal of Loan work.

Forwarded to the Comptroller with compliments.

5988

4786

No 366/R 25th June 1921

All arrangements to start the work connected with the New Loan have been completed and all forms and registers required in connection with this work and the instructions to be issued to the treasuries in this behalf are all in type for print and issue as soon as the Loan is notified by Government. In these circumstances, there is no need for a senior officer.

Mr. Raghavendra Rao, Assistant Comptroller ~~attached~~ was attached to the P.D. Section when Mr. Venkatanaranappa was in charge of the section, and he has been in independent charge from the date on which Mr. Venkatanaranappa was relieved. He has been taking the keenest interest in the work of the Section and all the preliminaries in connection with the new loan ~~work~~ are being done under his close

M786

37

supervision. I am quite confident that the Loan work under his immediate supervision will be performed to the entire satisfaction of Government. Mr. Raghavendra Rao is an intelligent and energetic young officer who is quite capable of managing the P.D. Section. I would not damp his enthusiam by disturbing the existing arrangements. I beg therefore to recommend that Mr. Raghavendra Rao may continue to be in charge and if Government are prepared to raise the emoluments of the officer entrusted with the charge of the P.D. Section temporarily during the period of the operations of the next Loan on account of the increase of work devolving on the officer which he certainly deserves, I would recommend its being granted to Mr. Raghavendra Rao.

DEWAN'S OFFICE.
Recd. on JUN 29 1921
Reg. No. 8026

T. Ardhanareeswara Chetty
Comptroller.

CV/25-6

Please
Submit to Dewan for information.
The question of giving an allce to the officer entrusted with the Loan work may be considered after such work is completed

1-7-21

2.7.21

28.6.21

M12

64650

4324 38

WD 2019—GPB—2,000—13-5-21

Telegraphic Address
"Papyrus," Bangalore

No. 4513.

OFFICE OF THE SUPERINTENDENT,
GOVERNMENT PRINTING,

Dated Bangalore, 27th MAY 1922.

REM & REV
30 MAY 1922

FROM

D. B. RAMACHANDRA MUDALIAR, ESQ., M.R.A.S.,
SUPERINTENDENT, GOVERNMENT PRINTING,
BANGALORE.

To

M. N. Krishna Rao, Esq., B.A.,
Secretary to Government, Financial Department,
Bangalore.

SIR,

With reference to your No. Fl. 5251, dated 22nd instant, I have the honor to state that copies of the Report on the Loan Operation of 1921 were despatched to your office on the 22nd instant.

I have the honor to be,
Sir,
Your most obedient servant,

Superintendent.

DVS.

Printed copies since received - this will be filed with connected papers placed below

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. Fl. 4606-15—G. F. 6-21-328 dated 18th February 1922.

State Loan Operations of 1921.

Reviews the ——.

READ—

Letter No. 616—S. L., dated 21st December 1921, from the Comptroller submitting his report on the Loan Operations of 1921.

ORDER No. FL. 4606-15—G. F. 6-21-328, DATED 18TH FEBRUARY 1922.

Government have read with interest the Comptroller's report on the operations connected with the State Loan raised during the current financial year 1921-22.

2. The issue of 1921 was the second large loan floated by the State. Two issues of the loan were offered during this year with a view to meet the varying requirements of the investors, one of which was a short term ten-year loan carrying interest at seven per cent and issued at par, and the other a long term 6½ per cent loan repayable in 20 to 30 years at par but issued at 97½ per cent. The loan met with the same unqualified success as that of 1920 and was largely over-subscribed even before the expiry of the period during which it was at first proposed to keep it on offer; it was therefore found necessary to close the loan list from 12th October 1921, *i.e.*, 18 days earlier than it was originally notified to be kept open.

3. As in the previous year the current year's loan was in the first instance offered to subscribers within the State and with the permission of the Government of India it was subsequently thrown open to investors outside the State by Notification No. Fl. 585 dated 1st August 1921.

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5. The Bank of Mysore, Ltd., offered accommodation on favourable terms to intending investors in the loan and at the request of Government made special arrangements for securing a satisfactory response to the loan outside the State, particularly in commercial centres like Bombay and Calcutta. The total amount of subscriptions secured through the Bank was 66 lakhs, that is about one-fourth of the total subscriptions. Government desire to take this opportunity to express their appreciation of the help and co-operation of the Bank in the floatation of the loan.

6. The work done by the Comptroller's Office in receiving applications, examining them and issuing bonds has been very satisfactory. It is gratifying to note that within less than three months after the close of the Loan list, the entire work relating to the loan operations of the year has been completed and the loan accounts fully closed. Government note with pleasure the good work done in connection with the loan by the officers mentioned by the Comptroller and are pleased to sanction the Comptroller's recommendation to the grant of a remuneration of Rs. 1,150-0-0 to be distributed among the staff of the Loan Section of his office in the manner proposed by him.

M. N. KRISHNA RAO,
Financial Secretary to Government.

To—The Comptroller, Mysore Government.
The Revenue Commissioner in Mysore.
The Deputy Commissioners of Districts.

Exd.—P. S. R.

No. Fl. 4606-15—G. F. 6-21-328, DATED 18TH FEBRUARY 1922.

No. 616 Sl. Dated, Bangalore, the 21st December 1921. From T. Satyaraj Chetty, Esq., B.A., Offg. Comptroller to the Government of His Highness the Maharaja of Mysore. To M. N. Krishna Rao, Esq, B.A., Secretary to the Government of Mysore, Financial Department.

I have the honour to submit the following report, being the second of its kind, on the operations connected with the State Loans of 1921:—

2. In the Dewan's address to the Representative Assembly at the last Birthday Session, the decision of Government to float a New Loan during the year to meet the expenditure provided in the Budget for the execution of capital works was announced, and the issue of the loan itself was notified in Notification No. Fl. 98—G. F. 6-21-4, dated 9th July 1921 in which it was at first restricted to the people of Mysore. The Notification was subsequently revised in No. 585, dated 1st August 1921, extending the loan throughout India with the kind permission of the Government of India. Two issues of the loan were offered with a view to meet the varying requirements of the investors, one of which was a ten-year loan carrying interest at 7 per cent and issued at par and the other a 6½ per cent long term loan repayable in 20 to 30 years at par but issued at 97½ per cent. The loans were thrown open for subscription to all throughout India from the beginning of August and the response to the call as will be seen from what is stated below, has been very gratifying, and the limit of one crore originally fixed was over-subscribed even before the completion of the period for which the loans were kept open. The loans were on offer from 1st August 1921 and were closed on the 12th October following, *i.e.*, 18 days earlier than the period for which they were notified to be kept open in the original Notification. The total amount subscribed from all sources amounted to Rs. 2,25,85,250 which was largely in excess of our expectations and which Government have resolved to utilise for capital expenditure during the next two years. A large amount of the subscriptions was received from outside the State which is indicative of an expanding market for our securities.

3. *Terms of the Loan.*—The terms of the two issues of the loan floated during the year, were similar to those which were applicable to the loan raised in 1920 except that there was a variance in the period for which each of the loans was to run and their respective issue prices. The rate of interest allowed was 7 per cent for a short term loan of 10 years duration repayable on 1st November 1931, and 6½ per cent for the long term loan repayable at par on the 1st November 1951 or at the option of Government on any earlier date giving six months' notice after 1st Novrmber 1941. These rates were respectively higher by 1 and ½ per cent than the rate at which the Government of India raised their latest loan which was at 6 per cent, but were on a par with those paid by the Calcutta Corporation and the Government of the United Provinces.

The denominations in which the bonds were issued were the same as those for the loan of 1920, but owing to the rapid sale of bonds in the higher denomination outside the State and consequent oversubscription to the loan and the cessation of its operations earlier than expected, the issue of bonds in the lowest denomination was markedly less as compared with the purchase of such bonds by the public in the previous loan.

4. *Concessions to the Public.*—As in the previous year the conversion of Government Bonds of the previous issues into the New Loan was permitted by Government. The 4 per cent State Loan, which was due to mature on the 1st October 1921, was accepted at par for either of the loans. But the bonds of the 5½ per cent and 6¼ per cent loans were allowed to be converted only into 6½ per cent New Loan and not to the 7 per cent loan. The 5½ per cent loan holders had to pay an amount equal to 97½ per cent of the face value of the bonds tendered for conversion, in cash as an additional subscription to the loan, while 6¼ per cent holders were on paying an additional cash subscription of 37½ per cent of the face value of the bonds tendered entitled to get 140 per cent of the face value of the bonds surrendered. In addition to these the Government of India 5½ per cent War Bonds were accepted at par for investment in 6½ per cent and 7 per cent New Loans, the difference between the par value of the surrendered bonds and the issue price of the 6½ per cent New Loan *viz.*, Rs. 2½ per cent being refunded in cash. The proceeds of the loan under the above conversions amounted to Rs. 71,46,612½ out of which Rs. 51,32,150 which is about 25 per cent of the total receipts of the loan, were in Government of India War Bonds which will remain with us as liquid securities. Government of India War Bonds of 1929-47 were not however accepted at their face value as subscription to the New Loan. The extension of the policy of inviting Government of India bonds for conversion into State Loan together with the facilities offorded for avoiding litigious troubles in the settlement of succession rights, has borne larger fruit this year, the bonds returned being of the value of Rs. 51,32,150 as against Rs. 13,17,125 exchanged for last year.

5. The face value of the bonds of the previous issues of the State Loan converted to the New Loan is Rs. 20,14,462½ in the aggregate as per particulars given below:—

4 per cent Bonds 1921	....	15,300
5½ per cent Conversion Loan notes	...	50,000
6¼ per cent State Loan	...	19,49,162½

The amount of the 4 percent State Loan Notes offered for purchase of the new 7 percent bonds is Rs. 15,300, the rest of which due for discharge by payment in cash amounted to Rs. 1,72,100. The extent to which the conversion policy served as a means of discharging the old loans at the same time augmenting the proceeds of the new loans was far below anticipations, owing to the public not having availed themselves of the concession granted by Government to the desired extent.

6. *Concession to Government Officers.*—As in the case of the previous loan, concessions were granted to the officers of the State for investing in the loan under the scheme sanctioned in G. O. No. Fl. 285—G. F. 6-21-32, dated 20th July 1921 where by the issue price was given in advance on their tendering 4 per cent and 1½ per cent of the face value of the 7 per cent and 6½ per cent bonds respectively. The advance was to be repaid in 24 instalments by deduction from pay. The minimum amount to be subscribed was fixed at Rs. 100 and the maximum at six months Pay of the officer. The total number of applications received according to this scheme for both the issues of the loan was 167, the amount subscribed under this arrangement being Rs. 1,27,067¾ distributed as under.

Face value of Notes applied for		Number of applications	
Rs. 100 to Rs. 500	...	117	for Rs. 25,695
Rs. 512½ to Rs. 1,000	...	24	,, 18,995
Rs. 1,012½ to Rs. 5,000	...	23	,, 59,560
Above Rs. 5,000	...	3	,, 22,817¾
Total	....	167	1,27,067¾

The largest number of applications was for amounts ranging from 100 to 500 Rs. and aggregating Rs. 25,695 under this scheme, which were received mostly from Hassan, Bangalore and Mysore Districts. The meagre response is due to a large number not availing themselves of the concessions granted owing to their indebtedness to Government in respect of the advances granted under similar conditions in the previous year when the 6¼ Loan was floated, a portion of which remained unrepaid.

7. Government were also pleased to extend the benefit of utilising the balances at credit of the subscribers to the Stete Provident Fund either for the purchase of 7 per cent bonds, or for paying additional subscription due for converting 6¼ per cent loan bonds. There were 50 applications from officers availing themselves of this concession for issue of bonds of the face value of Rs. 43,850. Similar concession was granted to the subscribers to the State Railway Provident Fund, but there was only one applicent who offered Rs 425 for investment in the loan.

8. Again in the case of officers who have insured their lives in the State Life Insurance Scheme and whose policies mature before 1st January 1925, they were allowed to elect to receive 6½ per cent or 7 percent bonds in lieu of cash before the 31st December 1921. The Insurance Office investing in the loan the amounts that would accrue to them on maturity of their polices. There were accordingly three applications received so for in the Insurance Office with a subscription of Rs. 10,187½.

9. *Printing of the Bonds, etc.*—The paper obtained for the manufacture of court fee and other stamp papers was used for printing the bond forms even this year, the short time at disposal for the preparation and completion of the preliminaries before the loan was to be floated not permitting us to obtain from abroad special water-lined and hand made paper. The design and printing of the bonds were executed under the orders of Mr. P. Raghavendra Rao, Member of Council agreeably to Government Order No. 35-6—C. B. dated 2nd July 1921. The facsimile signatures of the Dewan and the Comptroller were printed on the bonds themselves instead of being impressed with Rubber stamps which, as was experienced in the case of the 6¼ per cent loan involved enormous labour and trouble, and the former arrangement also facilitated the easy sale of the bonds over the counter. The dies for the facsimile signatures were made at the Government Press. My acknowledgements are due to Mr. D. B. Ramachandra Mudaliar, Superintendent, Government Printing and his Assistant Mr. B. Puttaiya for their kind assistance in this matter and the arrangements made for printing the bonds of the various denominations at a very short notice. It having been decided to deliver the bonds

in exchange immediately on presentation of cash over the counter at the transacting treasuries and banks, we had to equip ourselves with a large quantity of bond forms especially of the lower denomination to comply with requisitions from out stations, which we expected would be on a large scale; but owing to rapid sales outside the State in the higher denomination values and early closing of the loan, most of the unused forms were returned. The purticulars of bonds printed, issued to treasuries and banks and sold by them and of those returned are given below:—

	7 per cent	6½ per cent
Face value of bonds printed ..	4,97,47,012½	73,28,037½
Face value of bonds printed and issued to Treasurers and Banks.	1,40,54,825	10,87,162½
Face value of bonds printed sold by issues Treasurers & Banks.	86,76,025	62,962½
Face value of bonds printed and returned by Treasurers & Banks.	53,78,800	10,24,200

I regret that 34,212 bond forms unused have had to be destroyed or used as waste paper by cutting out the portions containing the facsimile signatures of the Dewan and the Comptroller necessitating some loss in the value of paper used and cost of printing. The number of bond forms as printed was in compliance with the indents of Deputy Commissioners who apparently could not gauge requirements and make a forecast approaching to any degree of accurancy. The subscriptions realised within the State having fallen far below our expectations for the reasons stated above, the above contingency became inevitable.

It is however, none the less gratifying that we have emerged from the Loan operation with highly successful results which cast into shade the small loss, sustained in printing the bond forms.

10. *Number of applications received and the localities to which the applicants belong.*—The total number of applications received for both the loans were 6,918 of which 706 were for conversion. The applications received for the two issues of the loan were as under.—

	Cash	Conversion
7 per cent	6,195	523
6¼ per cent	17	183

Of these, 957 were dealt with by this office, 1,544 by the banks and the remaining 4,417 by the local treasuries. The loan operations outside the State were conducted through recognised Banks which were authorised to receive subscriptions on behalf of the Durbar. The Imperial Bank of India acted as our Agent throughout India and there were subscribers in most of the outlying districts in the Madras Presidency and in the Native States of Travancore and Cochin. In the case of Bombay, subscriptions were received through the following Banks:—

Imperial Bank of India, Bombay.
National Bank, Bombay.
Tata Industrial Bank, Bombay.
Central Bank of India, Bombay.

Our securities were purchased also at Jubbalpore, Sitapur and Bareilly in Northern India through the Imperial and Allahabad Banks.

The Durbar of Bhavanagar also contributed substantially to our loan receipts.

No. Fl. 4606-15—G. F.—6-21-328, dated 18th February 1922.

11 *Total amount of Loan subscriptions.*—The total amount of loan subscribed for was Rs. 2,25,85,250 which as already stated, was largely in excess of our expectations. The forms in which the subscriptions were received are given below:—

	7 per cent			6½ per cent		
	Rs.	a.	p.	Rs.	a.	p.
(1) Cash received	1,42,41,025	2	7	9,04,987	10	0
(2) Government of India War Bonds ...	50,36,950	0	0	95,200	0	0
(3) Savings Bank and Transfers ...	1,00,307	13	5	15,722	4	0
(4) 4 per cent State Loan Notes wiped out.	15,300	0	0	.....		
(5) 5½ per cent Conversion Loan notes wiped out.	.....			50,000	0	0
(6) 6¼ per cent State Loan notes wiped out.	....			19,49,162	8	0
(7) Provident Funds:—						
(*a*) State	33,524	8	0	10,325	10	0
(*b*) State Railway	425	0	0	.....		
(8) State Life Insurance Fund ..	10,187	8	0	.....		
(9) Advance Scheme	1,05,780	0	0	16,352	0	0
Total ...	1,95,43,500	0	0	30,41,750	0	0
Grand Total ...	2,25,85,250	0	0			

The amount subscribed for the loan at the several agencies employed for collecting subscriptions are shown in the subjoined statement:—

				Rs.	a.	p.
Government Treasuries, ...				13,60,037	8	0
Comptroller				30,14,962	8	0
Adjustments				2,13,275	0	0
Banks.						
Mysore Bank	66,62,025	0	0			
Imperial Bank	82,86,100	0	0			
National Bank, Bombay	3,46,050	0	0			
Tata Industrial Bank	69,300	0	0			
Allahabad Bank	18,500	0	0			
Bank of India, Bombay	15,000	0	0			
Durbar Bank, Bhavanagar	6,00,000	0	0			
Central Bank	20,00,000	0	0			
Total ...				1,79,96,975	0	0
				2,25,85,250	0	0

Subscriptions to the Loan by Districts

12. The following statement shows the total amount of loan subscribed for in each of the Treasuries of the State both under the ordinary and the advance scheme:—

	7 per cent			6½ per cent		
Ordinary Scheme.						
Bangalore	1,84,162	8	0	2,76,950	0	0
Chitaldrug	1,25,037	8	0	150	0	0
Kadur	26,012	8	0	3,825	0	0
Kolar	71,287	8	0	22,400	0	0
Hassan	1,88,700	0	0	48,200	0	0
Mysore	1,01,987	8	0	99,225	0	0
Shimoga	1,17,550	0	0	10,150	0	0
Tumkur	82,175	0	0	2,225	0	0
Total ...	8,96,912	8	0	4,63,125	0	0
Grand Total ...	13,60,037	8	0			
Advance Scheme.						
Bangalore	61,450	0	0	8,208	6	0
Hassan	12,700	0	0	.....		
Mysore	20,550	0	0	4,364	4	0
Chitaldrug	5,000	0	0	.....		
Kolar	3,600	0	0	.....		
Shimoga	1,400	0	0	1,755	0	0
Tumkur	3,800	0	0	.....		
Kadur	1,800	0	0	2,440	2	0
Total ...	1,10,300	0	0	16,767	12	0

13. *Work done by the Banks.*—The help rendered by the Bank of Mysore deserves special mention, the total amount of subscriptions realised through this Bank alone being Rs. 66,62,025, which is over one-fourth of the total amount of subscriptions to both the issues of the laon. The flow of subscriptions through the Bank was again this year facilitated by the Bank's Advance Scheme thrown open to the public, as well as to Government servants holding 6½ per cent bonds with a view to enable them to invest in the New Loan under the Conversion Scheme. The aggregate amount so invested is Rs. 11,98,000 distributed as under:—

		Rs. a. p.
7 per cent	...	10,32,100 0 0
6½ per cent	...	1,65,900 0 0

We received equal support from the Imperial Bank of India which arranged for subscriptions being received at its various branches situated far and wide throughout India.

The Imperial Bank of India, Bangalore, Madras and Bombay (Head Offices only) kindly undertook to receive subscriptions in cash and securities, the latter being sent to this office for examination and acceptance. The issue of scrips in such cases had to be arranged for by this office. Some time latter, the Imperial Bank of India at Calcutta agreed to issue paper in lieu of both cash and securities. Apart from subscriptions received through other banks, we had the advantage of individual subscribers patronising our loan and cases in which we had received subscriptions in lots are noted below:—

Bhavanagar	...	6 lakhs
Hydrabad	...	26 lakhs
Cochin	...	14.67 lakhs
Central Bank of India	...	20 lakhs

The advantage to these single investors is that they are saved the payment of income tax year after year, while at the same time, they secure, for themselves a decent rate of interest on their investment which besides being as good and sound as the securities of any civilised Government entails no risk which an investor incurs by depositing his moneys with banks or other debtors. The principal and interest on the State Loans having been secured on the Revenues and Assets of Government-our Securities are bound to become popular.

Work done by Treasuries.

14. Due care was taken this year to supply the treasuries with requisite forms and registers and necessary instructions for posting the registers, etc., were issued to them in time. In the matter of effecting sales, their work was rendered more easy this time by their having been authorised to sell bonds over the counter on receipt of cash subscription. With the experience gained by the Treasury staff during the previous loan operations, with the additional establishment of one clerk for each treasury kindly sanctioned by Government for loan work and with the relief afforded to such of the Treasury officers as were over worked by detaching Probationary Assistant Commissioners and placing them on special duty to help the former, the work in the treasuries was done with greater facility and more satisfactorily than on the previous occasion, and the number of mistakes and omissions which were noticed were very few. It must however, be stated that the share of subscriptions to the loan contributed by the treasuries was very small, for the reasons already explained, it having amounted only to 13. 60 lakhs out of the total sum of Rs. 2,25,85 lakhs realised.

Work in the Accounts Office.

15. The difficulties which were experienced last year were greatly minimised by a well thought out programme prepared in advance and much of the work, which if left to the Treasuries would have resulted in an unsatisfactory state of things, was undertaken by my office in spite of its having been heavy. With a view to save commission and brokerage charges, otherwise payable to the Banks, as many applications as possible were received and directly dealt with by my office. There were also 234 applications with cash subscription that were received and dealt with by this office. The total face value of the bonds for cash and conversion applications so issued amounts to Rs. 27,30,000 and commission and discount saved is Rs. 6,825. Under the system promulgamated for issue of bonds over the counter, every bond had to be carefully examined by my office before it was sent out for issue by the Treasury or the Banks and this entailed much labour. The number of bonds examined and issued by my office is 49,955 of which 34,212 were returned. In all cases in which securities were endorsed and presented at the treasuries they had to be examined by this office and cheques for anticipatory interest issued. Arrangements were also made to audit and compile the loan accounts from day to day, as the

subscriptions were being received. The figures obtained daily from the Treasuries and furnished to Government were actually verified with reference to the applications received, bonds issued and the corresponding credits afforded in Treasusy vouchers and Bank accounts. Such a timely and systematic reconciliation of figures has enabled my office to close the loan accounts almost simultaneously with the closing of the loan. The verification of figures with those in the finally compiled accounts is nearing completion. It was possible to secure this promptness and despatch of work in the present loan operations as Government were pleased to sanction a staff of 8 hands for the loan section together with an additional grant of Rs. (5,000+1,500) to augment the staff and for contingencies when needed. By economical distribution of work, this additional grant was not allowed to be spent fully, the amounts spent being only (750+1.175) respectively. Though Government sanctioned the continuance of the Establishment till 31st December 1921, it was possible to disband 4 men out of 8 men by the 30th November 1921.

I feel it my duty to express my acknowledgments in this connection to Mr. Rangachar, Assistant Comptroller, who by an office order which I had issued was required to associate himself with loan work at the earlier stages of our loan operations in inaugurating measures for systematising loan work, and in prescribing the forms for use and the accounts and registers to be maintained and the rules of procedure to be followed by the treasuries and this office, and in which his services, with his varied experiencc as an Audit and Account Officer were largely and usefully utilised.

In reporting to Government the satisfactory results of the loan operations and the satisfactory manner in which the Loan Section of my office did its work, I have much pleasure in recording here the fact that Mr. Raghavendra Rao, Assistant Commissioner who was entrusted with the loan work and was in charge of the Loan Section discharged the responsible duty assigned to him with commendable zeal, ability and tact, and the promptness and the satisfactory manner in which the loan section acquitted itself and discharged its duties is in no small measure due to his vigilant supervision, his knowledge of the details of loan work and earnestness and sense of responsibility of Government work which have characterised him. It was in view of these qualifications which I considered fully be fitted him for charge of the loan section during the trying period of our late loan operations, that I recommended Mr. Raghavendra Rao, for the charge of the Loan Section when Government contemplated the deputation of Mr. B. Srinivasa Iyengar, Under Secretary to this office for loan work and proposed to grant him a deputation allowance of Rs. 120 in addition to his pay.

Mr. Raghavendra Rao has more than fulfilled my anticipations and, in consideration of the excellent work he has done, as a recompense for his labours and as an incentive to his brother officers, I beg to recommend that he may be granted a special allowance of Rs. 100 per mensem for four months during which the loan work was most taxing and when the Loan Section of my office had to work under high pressure. The loan section had to work overtime during the above period and I request Government may be pleased to sanction a month's pay to the following officials who worked willingly and perfromed the duties assigned to them satisfactorily:—

	Staff.	Rs
1.	S. Raghvachar	150
2.	T. Sitaramiah	100
3.	V. Sripati Rao	87
4.	K. Timmalachar	67
5.	T. C. Srikantiah	55
6.	P. S. Ramaswamiah	50
7.	G. Ramachandra Rao	45
8.	A. Sundara Mudalair	45
9.	H. S. Narayana Rao	35
10.	K. S. Rangaswami Iyengar	35
11.	K. Ramaswami Iyengar	30
12.	Chidambara Iyer	15
	...	714
	Lumpsum for distribution among peons who worked under pressure	36
	Total	750

The total amount of remuneration payable to Mr. Raghavendra Rao and the officials of the loan section according to my recommendations is Rs. 1,150 which is less than 20 per-

cent of the commission saved to Government by this office having dealt with the applications received directly which would otherwise have become payable to Banks and other agencies and I trust Government will very kindly sanction it.

The following statements are appended to this report, which furnish details in respect of the salient points dealt with in this report, and other particulars which I have not considered necessary to deal with separately herein.

(1) Statement A showing details of receipts and expenditure under the two Loans.

(2) Statement B showing details of receipts through Banks.

(3) Statement C showing details of Treasuries and adjustments.

(4) Statement D statement of details showing Securities received.

(5) Statement E of applications received through Banks and Treasuries.

(6) Statement F statement of subscription under Advance Scheme.

do do do by Transfer from Provident Fund.

Statement A.—Showing details of Receipts under several heads for the Loan and Expenditure thereout.

Number	Receipt	7 per cent	6½ per cent	Total
		Rs. A. P.	Rs. A. P.	Rs. A. P.
1	Cash received ...	1,42,41,025 2 7	90,4,987 10 0	1,51,46,012 12 7
2	Securities ...	50,36,950 0 0	95,200 0 0	51,32,150 0 0
3	Savings Bank and Transfers.	1,00,307 13 5	15,722 4 0	1,16,030 1 5
	Old Loans wiped off.			
4	(*a*) 4 per cent Loan...	15,300 0 0	...	15,300 0 0
5	(*b*) 5½ per cent Conversion Loan.	...	50,000 0 0	50,000 0 0
			19,49,162 8 0	19,49,162 8 0
6	(*c*) 6¼ per cent Loan..	...		
7	Railway Provident Fund.	425 0 0	...	425 0 0
			10,325 10 0	43,850 2 0
8	State Provident Fund.	33,524 8 0		
9	Insurance ...	10,05,780 8 0	...	10,187 8 0
10	Advance Scheme ...	1,05,780 0 0	16,352 0 0	1,22,132 0 0
	Total ...	1,95,43,500 0 4	30,41,750 0 0	2,25,85,250 0 0

Number	Expenditure	7 per cent	6½ per cent	Total
		Rs. A. P.	Rs. A. P.	Rs. A. P.
1	*Expenses.*			
	(1) Brokerage and Commission.	88,144 4 0	6,258 15 6	94,403 3 6
	(2) Discount ...	...	52,712 12 0	42,712 12 0
	(3) Anticipatory Interest..	1,62,100 8 11	16,174 8 3	1,78,275 1 2
	(4) Expenditure incurred in the Financial Secretarait on account of Advertisement &c.	28,858 0 7	...	28,858 0 7
		3,109 0 0		
	(5) Printing and Paper ...	3,109 0 0	...	3,109 0 0
	(6) Other Bank Charges...	1,494 5 3	..	1,494 5 3
	(7) Establishment and Contingent Charges.	1,925 0 0	..	1,925 0 0
2	*Adjustments.*			
	(1) Savings Banks ...	1,00,307 13 5	15,722 4 0	1,16,030 1 5
	(2) Insurance Bonus paid..	10,187 8 0	..	10,187 8 0
	(3) State Provident Fund..	33,524 8 0	10,325 10 0	43,850 2 0
	(4) Railway do ...	425 0 0	...	425 0 0
3	*Loans Discharged.*			
	(1) 4 per cent Loans ...	15,300 0 0	..	15,300 0 0
	(2) 5½ per cent Loans ...	...	50,000 0 0	50,000 0 0
	(3) 6¼ per cent Loans ...	...	19,49,162 8 0	19,49,162 8 0
4	*Assests.*			
	(1) Government of India Securities.	50,36,950 0 0	95,200 0 0	51,32,150 0 0
	(2) Balance due from Investors under Advance Scheme.	1,05,780 0 0	16,352 0 0	1,22,132 0 0
5	*Balance.*	1,39,55,39 15 10	8,29,841 6 3	1,47,85,235 6 1
	Total ...	1,95,43,500 0 0	30,41,750 0 0	2,25,85,250 0 0

Statement B.—Showing details of receipts to the Loan through the several Banks.

Number		7 per cent						Total 7 per cent			6½ per cent						Total 6½ per cent			Total for the 2 Loans		
		Cash			Conversion						Cash			Conversion								
		Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1	Mysore Bank	42,10,150	0	0	2,18,200	0	0	44,28,350	0	0	...			22,33,675	0	0	22,33,675	0	0	66,62,025	0	0
2	Imperial Bank, Bangalore ...	8,07,028	0	0	6,33,800	0	0	14,40,825	0	0	...			1,49,800	0	0	14,98,00	0	0	15,90,625	0	0
3	,, Madras ...	3,57,900	0	0	3,06,700	0	0	6,64,600	0	0	28,800	0	0	...			20,800	0	0	6,85,400	0	0
4	,, Bombay ...	17,30,337	8	0	14,69,675	0	0	32,00,012	8	0	14,562	8	0	18,650	0	0	33,212	0	0	32,33,225	0	0
5	National Bank, Bombay ...	3,08,050	0	0	38,000	0	0	3,46,050	0	0	...			...			...			3,46,050	0	0
6	Tata Industrial Bank, Bombay.	69,300	0	0	...			69,300	0	0	...			...			...			69,300	0	0
7	Imperial Bank, Calcutta ...	2,78,575	0	0	2,35 425	0	0	5,14,000	0	0	2,000	0	0	...			2,000	0	0	5,16,000	0	0
8	Imperial Bank, Mount Road Branch, Madras.	6,800	0	0	6,000	0	0	12,800	0	0	...			...			...			12,800	0	0
9	Imperial Bank, Bellary ...	1,23,125	0	0	31,500	0	0	1,54,625	0	0	...			...			...			1,54,625	0	0
10	,, Trivandrum ...	31,700	0	0	27,000	0	0	58,700	0	0	...			14,000	0	0	14,000	0	0	72,700	0	0
11	,, Cochin ...	5,11,975	0	0	9,48,850	0	0	14,60,825	0	0	7,600	0	0	...			7,600	0	0	14,68,425	0	0
12	,, Coimbatore ...	21,225	0	0	22,000	0	0	43,225	0	0	...			4,000	0	0	4,000	0	0	47,225	0	0
13	,, Guntur ...	6,900	0	0	6,700	0	0	13,600	0	0	...			...			...			13,600	0	0
14	,, Calicut ...	44,762	8	0	8 000	0	0	52,762	8	0	...			14,000	0	0	14,000	0	0	66,762	8	0
15	,, Cotacamund ...	1,15,200	0	0	53,250	0	0	1,68,450	0	0	...			...			...			1,68,450	0	0
16	,, Mangalore ...	18,850	0	0	2,500	0	0	21,350	0	0	...			...			...			21,350	0	0
17	,, Madura ...	52,750	0	0	21,500	0	0	74,250	0	0	11,600	0	0	...			11,600	0	0	85,850	0	0
18	,, Cocanada ...	35,600	0	0	...			35,600	0	0	...			...			...			35,600	0	0
19	,, Masulipatam ...	12,112	8	0	15,200	0	0	27,312	8	0	...			...			...			27,312	8	0
20	,, Berhampore ...	45,000	0	0	...			45,000	0	0	...			...			...			45,000	0	0
21	,, Narsapur ...	1,200	0	0	...			1,200	0	0	...			...			...			1,200	0	0
22	,, Trichinapaly ...	19,600	0	0	650	0	0	20,250	0	0	...			...			...			20,250	0	0
23	,, Negapatam ...	800	0	0	...			800	0	0	...			...			...			800	0	0
24	,, Bezwada ...	1,100	0	0	100	0	0	1,200	0	0	700	0	0	...			700	0	0	1,900	0	0
25	,, Tellicherry ...	...			11,000	0	0	11,000	0	0	...			...			...			11,000	0	0
26	,, Jubbulpore ...	...			6,000	0	0	6,000	0	0	...			...			...			6,000	0	0
27	Allahabad Bank, Sitapur ...	6,500	0	0	10,000	0	0	16,500	0	0	...			...			...			16,500	0	0
28	Do Bareilly ...	100	0	0	1,900	0	0	2,000	0	0	...			...			...			2,000	0	0
29	Bank of India, Bombay ...	15,000	0	0	...			15,000	0	0	...			...			...			15,000	0	0
30	Durbar Bank, Bhavanagar ...	6,00,000	0	0	...			6,00,000	0	0	...			...			...			6,00,000	0	0
31	Central Bank of India ...	20,00,000	0	0	...			20,00,000	0	0	...			...			...			20,00,000	0	0
	Total ...	1,14,31,637	8	0	40,73,950	8	0	1,55,05,587	8	0	57,262	8	0	24,34,125	0	0	24,91,387	8	0	1,79,96,975	0	0

Statement C. Showing details of receipts to the Loans through the several Treasuries and the Comptrollers' Office.

Number		7 per cent		Total	6½ per cent		Total	Total for 2 loans
		Cash	Conversion	7 per cent	Cash	Conversion	6½ per cent	
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1	Bangalore	1,75,362 8 0	8,800 0 0	1,84,162 8 0	23,000 0 0	2,53,950 0 0	2,76,950 0 0	4,61,112 8 0
2	Chitaldrug	1,20,537 8 0	4,500 0 0	1,25,037 8 0	.....	150 0 0	150 0 0	1,25,187 8 0
3	Kadur	24,212 8 0	1,800 0 0	26,012 8 0	.....	3,825 0 0	3,825 0 0	29,837 8 0
4	Kolar	65,187 8 0	6,100 0 0	71,287 8 0	.....	22,400 0 0	22,400 0 0	93,687 8 0
5	Hassan	1,77,200 0 0	11,500 0 0	1,88,700 0 0	.....	48,200 0 0	48,200 0 0	2,36,900 0 0
6	Mysore	88,787 8 0	13,200 0 0	1,01,987 8 0	23,400 0 0	75,825 0 0	99,225 0 0	2,01,212 8 0
7	Shimoga	1,16,150 0 0	1,400 0 0	1,17,550 0 0	.....	10,150 0 0	10,150 0 0	1,27,700 0 0
8	Tumkur	80,825 0 0	1,350 0 0	82,175 0 0	.....	2,225 0 0	2,225 0 0	84,400 0 0
	Total ...	8,48,262 8 0	48,650 0 0	8,96,912 8 0	46,400 0 0	4,16,725 0 0	4,63,125 0 0	13,60,037 8 0
9	Comptroller	20,61,312 8 0	9,29,650 0 0	29,90,962 8 0	.....	24,000 0 0	24,000 0 0	30,14,962 8 0
10	Adjustments	.....	.....	1,50,037 8 0	.....	.....	63,237 8 0	2,13,275 0 0
	Abstract.							
11	Banks	1,14,31,637 8 0	40,73,950 0 0	1,55,05,587 8 0	57,262 8 0	24,34,125 0 0	24,91,387 8 0	1,79,96,975 0 0
12	Treasuries	8,48,262 8 0	48,650 0 0	,896,912 8 0	46,400 0 0	4,16,725 0 0	4,63,125 0 0	13,60,037 8 0
13	Comptroller	20,61,312 8 0	9,29,650 0 0	29,90,962 8 0	.....	24,000 0 0	24,000 0 0	30,14,962 8 0
14	Adjustments	.....	.....	1,50,037 8 0	.....	.....	63,237 8 0	2,13,275 0 0
	Total ...	1,43,41,212 8 0	50,52,250 0 0	1,95,43,500 0 0	1,03,662 8 0	28,74,850 0 0	30,41,750 0 0	2,25,85,250 0 0

No. Fl. 4606-15—G. F. 6-21-328, dated 18th February 1922.

Statement D—Showing details of Government of India War Bonds and Securities tendered as subscription.

Serial No.	Year of loan	Per cent	For 7 per cent Loan			For 6½ per cent Loan			Total		
			Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1	1921	5½%	1,16,400	0	0	.....			1,16,400	0	0
2	1922	„	2,18,475	0	0	.....			2,18,475	0	0
3	1923	„	25,600	0	0	.....			25,600	0	0
4	1925	„	1,08,850	0	0	.....			1,08,850	0	0
5	1928	„	9,22,325	0	0	95,200	0	0	10,17,525	0	0
6	1926	6%	4,35,000	0	0	.....			4,35,000	0	0
7	1930	„	24,63,200	0	0	.....			24,63,200	0	0
8	1931	„	7,47,100	0	0	.....			7,47,100	0	0
		Total ...	50,36,950	0	0	95,200	0	0	51,32,150	0	0

Statement E—Showing the No. of applications received.

Serial No.	District	Cash		Conversion	
		7%	6½%	7%	6½%
1	Bangalore	538	3	10	32
2	Kolar	340	...	4	1
3	Tumkur	1,597	...	6	8
4	Mysore	213	4	17	3
5	Hassan	505	...	13	9
6	Shimoga	155	...	3	6
7	Kadur	132	...	4	3
8	Chitaldrug	937	...	8	1
9	Imperial Bank, Bombay	497	8	176	4
10	do Bangalore	113	...	164	15
11	do Calcatta	79	2	29	...
12	do Madras	53	...	...	...
13	National Bank, Bombay	42	..	1	...
14	Tata Industrial Bank do	17	..	..	...
15	Other banks do	...	...	35	...
16	Comptroller	234	...	16	1
17	Mysore Bank	743	...	37	100
	Total ...	6,195	17	523	183
	Grand Total ...		*6,918		

* Of these 957 applications were dealt with by the Comptroller
1,544 do Banks.
4,417 do Treasuries.

Total 6,918

Statement (F). Showing details of subscriptions received under the Advance Scheme.

Serial No.	District	No. of applications	Amount			Serial No.	District	No. of applications	Amount		
			Rs.	a.	p.				Rs.	a.	p.
1	Bangalore ...	63	61,450	0	0	1	Bangalore ...	6	8,208	6	0
2	Hassan ...	38	12,700	0	0	2	Hassan ...	...	.....		
3	Mysore ...	16	20,550	0	0	3	Mysore ...	2	4,364	4	0
4	Chitaldrug ...	12	5,000	0	0	4	Chitaldrug ...	..	.....		
5	Kolar ...	8	3,600	0	0	5	Kolar ...	...	.....		
6	Kadur ...	8	1,800	0	0	6	Kadur ...	1	2,440	2	0
7	Shimoga ...	6	1,400	0	0	7	Shimoga ...	1	1,755	0	0
8	Tumkur ...	6	3,800	0	0	8	Tumkur ...	...	.....		
	Total ...	157	1,10,300	0	0			10	16,767	12	0

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Statement F.—*concld.*

Serial No.	District	No. of applications	Amount	Serial No.	District	No. of applications	Amount
			Under the State Provident Fund.				
			Rs. a. p.				Rs. a. p.
1	Bangalore ...	21	17,187 0 0	1	Bangalore ...	2	8,550 0 0
2	Hassan ...	2	1,550 0 0	2	Hassan ...	..	.....
3	Mysore ...	9	7,562 8 0	3	Mysore ...	2	1,007 13 0
4	Chitaldrug ...	3	2,462 8 0	4	Chitaldrug ...	...	.....
5	Kolar ...	4	3,762 8 0	5	Kolar ...	...	.....
6	Shimoga ...	2	225 0 0	6	Shimoga ...	1	767 13 0
7	Kadur ...	3	600 0 0	7	Kadur ...	..	.....
8	Tumkur ...	1	175 0 0	8	Tumkur ...	...	.....
	Total ...	45	33,524 8 0		Total ...	5	10,325 10 0
			Insurance Scheme.				
1		3	10,187 8 0			...	.....
			Railway Provident Fund.				
1		1	425 0 0			...	.....

W D—1706—GPB—18-5-22—350.

NOTIFICATION.

No. Fl. 98—G. F. 6-21-4, dated 9th July 1921, as revised in No. 585, dated 1st August 1921.

MYSORE GOVERNMENT LOANS, 1921.

Principal and Interest secured on the Revenues and Assets of the Government of Mysore.

With the permission of the Government of India, the Loans are thrown open for subscription throughout India.

Subscription for (1) 10 year, 7 per cent Bonds, 1931, free of income-tax, and (2) 20-30 year, 6½ per cent Bonds, 1941-51, at issue price of 97½ per cent, free of income-tax, will be received from persons throughout India from 1st August to 31st October 1921 inclusive. Bonds of both Issues will be delivered over the counter on receipt of cash subscription.

Terms of Loan No. (1).

2. i. *Interest.*—Interest at the rate of 7 % per annum is payable half-yearly on the 1st of November and 1st of May. Advance interest at 7 % per annum from the date of receipt of application to 31st October 1921 will be paid at the time of sale or delivery of Bonds. Interest will be paid at any Treasury in Mysore or in British India, at which payment is desired or at the Bank of Mysore.

Interest on the Bonds will be income-tax free throughout their currency, but will be taken into account in determining the rate at which the tax will be levied on other income. Interest on Bonds paid in British India will be free of British Indian Income-tax also and receipts for drawing such interest are exempt from British Indian Stamp duty.

ii. *Issue Price.*—The issue price will be Rs. 100 for every Rs. 100 of the Loan applied for.

iii. *Repayment.*—The Government of Mysore undertake to repay the Bonds at par on 1st November 1931 and to form a Sinking Fund for the purpose.

iv. *Form of Bonds.*—Bonds will be issued in the form of Promissory Notes transferable by endorsement, which may be exchanged for Stock Certificates.

v. *Denomination of Bonds.*—Bonds will be issued in denominations of Rs. 12-8-0, Rs. 25, 50, 100, 500, 1000, 5000 or multiplies of Rs. 5000.

vi. *Form of Application.*—Bonds may be purchased on application in Form A or B (separately supplied on requisition) according as the subscription is in cash or in bonds, or in any other form which states clearly all the particulars required in the printed form.

vii. *Purchase of Bonds and Method of payment.*—Bonds will be sold at and may be obtained on application to—

(*a*) any Treasury (District or Taluk) or office of Deputy Amildar in charge of Sub-Taluk in the State,

(*b*) the Headquarter Office or any branch of the Bank of Mysore,

and (*c*) (1) The Imperial Bank of India, Bombay and Madras and Branches.
(2) The National Bank of India, Bombay and Madras.
(3) The Eastern Bank, Bombay and Calcutta.
(4) The Alliance Bank of Simla, Bombay, Calcutta and Simla.
(5) The Central Bank of India, Bombay.
(6) The Mercantile Bank of India, Bombay and Madras.
(7) The Tata Industrial Bank, Bombay and Madras.
(8) The Bank of India, Bombay.
(9) The Indian Bank, Madras.
(10) The Chartered Bank of India, Australia and China, Madras.

The amount due may be paid in cash or by cheque, drawn on any of the Banks mentioned above in favor of the Officer to whom applications and the issue price payable (cash or bonds) are tendered.

viii. *Subscription by withdrawal of Government Savings Bank Deposits.*—In the case of depositors in the Government Savings Banks, subscription to the Loan may be made by presenting withdrawal forms duly filled up together with Pass Books to the Treasuries at which accounts are kept.

ix. *Subscription by tender of bonds.*—The following bonds of the Government of Mysore and the Government of India will be accepted at par as the equivalent of cash in subscription and Bonds of equal face value of this Loan will be issued in lieu thereof. Interest at the rates these bonds carry will be paid up to date of presentation of application along with advance interest *vide* Term No. x *infra.*

Mysore Government.—4 per cent bonds repayable on 1st October 1921.
Government of India.—5½ per cent War bonds, 1921, 1922, 1923, 1925, or 1928.
6 per cent bonds, 1930, 1926, or 1931.

x. *Form of endorsing bonds tendered as subscription and procedure for obtaining the bonds applied for.*—Applicants who tender bonds in payment of subscription to this Loan should endorse them with the words "Pay to the Dewan of Mysore or order" over their signature and deliver them to the officer receiving the application who will give a temporary receipt. The Bonds applied for will be issued together with cheques for the advance interest due from date of receipt of application to 31st October 1921 *plus* interest accrued on the bonds tendered for conversion and exchange, on surrender on or after 1st December 1921 to the officers to whom applications are made of the temporary receipt duly signed as provided for therein.

Terms of Loan No. (2).

3. i. *Interest.*—Interest at the rate of 6½ per cent per annum is payable half-yearly on the 1st of November and 1st of May. Advance interest at 6½ per cent per annum from date of receipt of application to 31st October 1921 will be paid at the time of sale or delivery of Bonds. Interest will be paid at any Treasury in Mysore or in British India at which payment is desired or at the Bank of Mysore.

Interest on the Bonds will be income-tax free throughout their currency, but will be taken into account in determining the rate at which the tax will be levied on other income. Interest on Bonds paid in British India will be free of British Indian Income-tax also and receipts for drawing such interest are exempt from British Indian Stamp duty.

ii *Issue Price.*—The issue price will be Rs. 97½ for every Rs. 100 of the Loan applied for.

iii. *Repayment.*—The Government of Mysore undertake to repay the Bonds at par on 1st November 1951 or at their option, on any earlier date after giving six months' notice but not before 1st November 1941. A Sinking Fund will be formed for the purpose.

iv. *Form of Bonds.*—Bonds will be issued in the form of Promissory Notes transferable by endorsement, which may be exchanged for Stock Certificates.

v. *Denomination of Bonds.*—Bonds will be issued in denominations of Rs. 12-8-0, Rs. 25, 50, 100, 500, 1000, 5000 or multiples of Rs. 5000.

vi. *Form of application.*—Application should be in Form A or C (separately supplied on requisition) according as the subscription is entirely in cash or in bonds or in any other form which states clearly all the particulars required in the printed form.

vii. *Purchase of Bonds and Method of Payment.*—Bonds will be sold at and may be obtained on application to—

(*a*) any Treasury (District or Taluk) or office of Deputy Amildar in charge of Sub-Taluk in the State,
(*b*) the Headquarter Office or any branch of the Bank of Mysore,
and (*c*) (1) The Imperial Bank of India, Bombay and Madras and Branches.
(2) The National Bank of India, Bombay and Madras.
(3) The Eastern Bank, Bombay and Calcutta.
(4) The Alliance Bank of Simla, Bombay, Madras, and Simla.
(5) The Central Bank of India, Bombay.
(6) The Mercantile Bank of India, Bombay.
(7) The Tata Industrial Bank, Bombay, and Madras.
(8) The Bank of India, Bombay.
(9) The Indian Bank, Madras.
(10) The Chartered Bank of India, Australia and China, Madras.

The amount due may be paid in cash or by cheque drawn on any of the Banks mentioned above in favor of the Officer to whom application and the issue price payable (cash or bonds) are tendered.

viii. *Subscription by withdrawal of Government Savings Bank Deposits.*—In the case of depositors in the Government Savings Banks, subscriptions to the Loan may be made by presenting withdrawal forms duly filled up together with Pass Books to the Treasuries at which accounts are kept.

ix. *Conversion of previous Issues.*—(*a*) Mysore Government 4% bonds repayable on 1st October 1921 will be accepted at par and Bonds of equal face value of this Loan will be issued in lieu thereof, the balance over the issue price of Rs. 97½ per cent, *i.e.*, Rs. 2½ per cent being refunded in cash at the time of delivery of Bonds.

Mysore Government 5½% Conversion bonds, 1929-44, will be accepted in exchange for B of equivalent face value of this Loan, *provided* an amount equal to 97½ per cent e face value of the bonds tendered for conversion is paid in cash as additional subscripto the Loan.

Mysore Government 6¼% bonds, 1940, will be accepted as subscription to this Loan*vided* an additional cash subscription of 37½% of the face value of the bonds tendered for cersion is paid, when Bonds of this Loan of the face value of 140 per cent will be delivin exchange for such cash payment and the bonds surrendered.

*Illus*on.—A wants to convert into this Loan a 6¼ per cent bond of the face value of s. 500. On surrender of the bond and on payment of cash of Rs. 187½ ., $\left(\text{Rs. } \frac{37\frac{1}{2} \times 500}{100}\right)$ he will be given Bonds of this Loan of the face value of s. 700 *i.e.*, $\left(\frac{\text{Rs. } 140 \times 500}{100}\right)$.

lases in which the face value of the Bonds to be delivered in exchange for bonds and ca tendered as above, is not equal to the amount of a Bond of any of the prescribed denomtions, the balance to make up the issue price of the Bond applied for should also be paid insh.

ote.—Interest at the rates these bonds carry will be paid up to date of presentation of application along with advance interest. *Vide* Term No. x *infra.*

x. *Form of endorsing bonds tendered as subscription and procedure for obtaining the Bonds plied for.*—Applicants who tender bonds of previous issues of the Government of Mysore payment of subscription to this Loan should endorse them with the words "Pay the Dewan of Mysore" over their signature and deliver them with the amount of cash, iny, payable *vide* Terms No. ix (*b*) *and* (*c*) *supra* to the officer receiving the application who w give a temporary receipt. The Bonds applied for will be issued together with chequefor advance interest due from date of receipt of application to 31st October 1921 *plus* acued interest on the bonds tendered for conversion to date of presentation of application *pl* amount to be refunded under Term No. ix (*a*) *supra*, on surrender on or after 1st, Decemr 1921 to the officers to whom applications are made, of the temporary receipt duly sied as provided for therein.

4. *Tender of Government of India 5½% War Bonds.*—Arrangements have been made with th Bank of Mysore, to accept the Government of India 5½% War Bonds at par for investmnt of the proceeds in this Loan; and the Bank will refund in cash to the tenderers of such onds the difference between the par value of the surrendered bonds and the issue price of his Loan, *viz.*, Rs. 2½ per cent.

5. *Brokerage.*—Brokerage at ¼% will be paid to recognised Bankers and Brokers on applications for Bonds bearing their stamps.

By Order,

M. N. KRISHNA RAO

Financial Secretary to Government